

**USAID/Guinea FY 1992-96
Country Program Strategy Plan**

UPDATE

Conakry, Guinea
May 1995

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USAID/Guinea Country Program Strategic Plan Update

I. SYNOPSIS OF USAID/GUINEA STRATEGY

USAID/Guinea's current Country Program Strategic Plan (FY 92-96) establishes the goal of its development program as the: improved economic and social well being of all Guineans in a participatory society. The Plan's three strategic objectives are:

- (SO1) growth and efficiency in agricultural markets;
- (SO2) increased ability of families to determine household size; and
- (SO3) increased enrollment in primary schools with emphasis on rural female participation.

The purpose of this strategy update is to expand SO2 to include maternal and child health care and to add a fourth strategic objective that centers on democracy and governance. Accordingly, the expanded SO2 is: *increased access to and utilization of quality family planning/maternal and child health services and HIV/AIDS prevention services* and SO4 is: *increased participation in democratic processes and fostering good governance*.

Additionally, during a recent indicators workshop, which included assistance from CDIE and AFR/DP, the Mission became convinced that it was necessary to re-state SO1 to more realistically reflect what can be achieved and measured based on the availability of data. Hence, SO1 now reads: *growth in agricultural markets*. (The efficiency aspect of this SO has been incorporated as an indicator.)

The basic assumptions and strategic approach outlined in the FY 92-96 CPSP are still valid. However, significant political, economic and social progress has been made during the strategy period and is the basis for revisions of our current Strategic Plan.

II. EXECUTIVE SUMMARY

USAID/Guinea's Country Program Strategic Plan (CPSP) ends in September 1996. We will submit a full strategy in FY 1996 to cover the next 5-year planning cycle. In the FY 96 Action Plan, USAID announced its intention to expand SO2 to incorporate broader maternal health objectives and to add another strategic objective on democratic governance. In response to this proposal, USAID/W instructed Mission to update its current CPSP to cover these two areas and to serve as a "bridge document" until such time the new strategy is developed. (STATE 331935, dated 12/14/94).

A. Family Planning and Health

In support of the current SO2, USAID/Guinea has, for the past four years, funded a family planning (FP) activity to increase the utilization of family planning and sexually transmitted disease (STD) prevention products and services through the private sector. A mid-term evaluation of this activity in 1993, and a 1994 assessment of the health/population sector

noted the success of the program, but a major finding was the improbability of reaching sustainable fertility reductions through a strategy of primarily vertical and private sector support to FP. Given Guinea's very poor health status (e.g., infant and child mortality rates are among the highest in the world; a life expectancy of 43 years; a maternal/mortality rate of 660/100,000; fertility rate of 6 and a contraceptive prevalence rate of 2 percent), both the mid-term evaluation and the sector assessment argued that a more sustainable approach would be an integrated strategy of maternal and child health care (MCH), family planning and support to health care reforms. In the Guinea context, improved health of children and mothers and increased access to and quality of MCH will result in increased demand for FP services. Given the public sector interest in family planning and the health infrastructure that the system offers, a strategy of integrated family health in the public sector provides the best chance of delivering sustainable family planning services.

B. Democracy and Governance

In December 1993, Guinea carried out its first national multi-party, presidential elections since independence in 1958. Although the Government of Guinea (GOG) was able to organize a free electoral process, a few GOG officials at the highest levels in the last hours manipulated the final vote count to prevent a run-off election. In a measured response, the USG reduced assistance levels to Guinea by ending PL-480 Title III and non-project assistance (NPA), which had been used to pay GOG debt from 1990-1994. Project assistance to the education and health sectors will be maintained and a greater emphasis will be given to activities implemented by NGOs. In addition, the overall bilateral program, which averaged \$23-25 million per year in 1992-94, was straightlined at \$20 million, pending a review of the legislative elections, which are scheduled for June 11, 1995.

Despite the flawed presidential elections, a number of positive signs indicate continuing progress toward democratization. The recently conducted Democracy/Governance (D/G) sector assessment noted that Guinea's progress must be viewed from the perspective of 26 years of a repressive, one party regime in which civil society was all but eradicated, private sector activities crushed, and human rights denied. The Second Republic (1984-1993) eliminated the worst abuses of the First Republic (1958-1984) and liberalized the economy. Civil society has re-emerged and an enabling set of macro-economic reforms have been established that has resulted in a 4 percent annual growth rate between 1987 and 1994. Since 1990, democratic reforms have permitted the development of a vigorous, though vulnerable independent press, the emergence of human rights organizations, the creation of political parties and the promulgation of new laws, procedures and structures for conducting national and local elections. The opening up of the public realm has also given private firms, NGOs, development associations, women's groups and other organizations more freedom to organize and manage their own affairs. This is impressive progress against any reference point.

Elections alone do not guarantee lasting improvements in democratic governance. Developing a democratic society is a long and arduous process. It should not be forgotten that the U.S. is still defining its democracy after more than 200 years of experience.

Looking at other countries in the sub-region, Guinea's democratic progress is in marked contrast to Liberia, Sierra Leone, Gambia, Togo, and Nigeria. We think it is in the long-term interest of the U.S. to help Guinea remain as one of the more stable countries in the region and to continue on the path of democratic reform. This is consistent with USAID policy of providing direct resources in consensus building that will avoid crises situations and lead to greater stability. Guinea has made impressive economic and D/G progress since 1984. The GOG has asked for our assistance in this sector and regards the U.S. as the leading donor in D/G. In USAID/Guinea's view, we should stay engaged.

During this interim strategy period, USAID should continue to encourage the GOG to pursue the democratic path, promoting the participation of civil society in development planning, financing and governance. In addition to civil society development, the United States Information Service (USIS) will help foster the development of a free press and an independent media, important linkage institutions during democratic transition.

Since the future of the USAID program is tied to the conduct of the legislative elections, below are three options the Mission is prepared to consider:

Option 1: Satisfactory Legislative Elections

The FY 97 budget should support the following:

- (1) Expanded D/G activities, such as rule accountability, civil society and decentralization;
- (2) Increased investments in education, health, agriculture; and
- (3) Increased investments in training with greater priority given to programs in item one.

Option 2: Mixed Results in the Legislative Elections

- (1) The FY 97 budget should assure adequate funding for activities begun in FY 92-95;
- (2) No new starts should be considered for FY 97 and beyond.
- (3) Benchmarks and indicators of progress toward D/G should be established to condition future assistance.

Option 3: Unacceptable Results in the Legislative Elections

- (1) Closeout all projects at the end of their approved LOP except the basic education, health/family planning programs and certain elements of the D/G program, e.g. accountability and rules; and
 - (2) Maintain a core USAID staff to manage the portfolio.
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III. SUMMARY ANALYSIS OF ASSISTANCE ENVIRONMENT

A. Socio-Political Trends

Guinea made considerable progress in its economic, social and political development during the period of the FY 1992-96 CPSP. The GOG continued to make progress under the economic structural adjustment program that it adopted in 1985. The program has liberalized

the economy, restrained public sector spending, controlled inflation, and stabilized the exchange rate. As a result of the reforms, real economic growth in this period averaged 4 percent per year during the last 10 years. On the political front, the *Loi Fondamentale of 1991*, Guinea's Constitution, led to Presidential elections being held in December 1993---the first multi-party elections since Guinea's independence from France in 1958. Legislative elections are scheduled for June 11, 1995.

Enrollment in primary education increased significantly during the current period. National enrollment rates increased from 27.5 percent in 1990 to 40.1 percent in 1994, a remarkable 46 percent increase. In the same interval, enrollment for girls rose from 17 percent to 25.7 percent. In the rural sector, enrollment went up from 20.6 percent in 1991 to 30.4 percent in 1994, a rise of 48 percent.

In family planning, a national population policy has been adopted, a mass media campaign on HIV/AIDS awareness has been launched and has resulted in dramatic increases in condom sales. Family planning services have been integrated into 90 MOH health centers.

1. Social and Institutional

The development of effective institutions playing by predictable, transparent, enforceable, and equitable rules of the game is a daunting task. Although the objective of creating a macroeconomic policy environment supportive of private-sector led growth has been achieved, most of the results appear to have been achieved in the informal sector. In the absence of an effective civil society to articulate and promote private sector interests and in the absence of an adequate legal and regulatory framework governing investments, the development of the formal sector of the economy has lagged. Rent-seeking behavior is pervasive. Private businessmen are more than willing to seek special treatment, even though the transaction costs are high. Public sector officials derive status, power and financial gain from the status quo, in an environment that is highly conditioned by personal relationships. The development of civil society, democratic governance, and the decentralization of power are solutions to such issues, but they are long-term in nature.

2. Macroeconomic

The GOG signed an ESAF with the IMF in November 1991, but was not able to obtain a Second Annual Program under the ESAF until September 1994. This long delay is explained by the GOG's difficulties in satisfying IMF conditionality, but also shows the significant commitment and progress made by the GOG that justified IMF decisions to keep Guinea in shadow programs until the Second Annual Program. The 23 percent deterioration in the terms of trade between 1990 and 1993 led to a dramatic change in the composition of government revenues. The share of fiscal receipts from the mining sector went from 45 percent in 1992 to 39 percent in 1993, and 29.6 percent in 1994. Although the decline of mining revenues that coincided with the signing of the ESAF made it more difficult for the GOG to satisfy IMF revenue targets, it indicates that the economy is diversifying, which is

one of the principal overall goals. Nevertheless, the GOG's inability to significantly increase non-mining fiscal revenues remains a major concern. The GOG continued to disengage itself from the productive sectors with the privatization of the importation and distribution of petroleum products, the privatization of the management of the energy sector, and started the process of privatizing telecommunications and Air Guinea.

Far-reaching monetary reforms were undertaken in this period. These reforms included the introduction of uniform bank reserve requirements, the introduction of treasury bills, the lifting of interest rate controls and tightening of Central Bank discount policy. Inflation decreased from 16 percent in 1992 to 5 percent in 1993 and to 3.5 percent by June 1994. This significant improvement in inflation is attributable to the restoration of positive real interest rates, and the success of Guinean authorities in stabilizing the Guinean franc.

Notwithstanding the difficulties and resulting delays encountered in meeting the ESAF conditions, the reform efforts resulted in a respectable annual real GDP growth of 4 percent between 1987 and 1994. The budget deficit, on a commitment basis and excluding grants, decreased from 8.5 percent of GDP in 1992, to 7.3 percent in 1994.

B. Overall Development Prospects

As mentioned earlier in this update, Guinea has made significant economic, social and political progress during the past ten years which provides an encouraging context for future development. A hard look at where Guinea stood in 1985 and where it is today illustrates the impressive progress made and begs for continued support by the donor community.

The potential to be an economic success exists. The country is richly endowed with agricultural, energy and mineral resources. Guinea has one of the highest concentration of mineral resources in Africa. The agriculture sector has grown in recent years and higher rural incomes have in turn boosted overall activity particularly in the trade sector. The agriculture sector's performance has surpassed that of neighboring countries but it is still far below the country's potential. In 1994 real GDP grew about 4 percent and this was due in part to a revitalized agriculture sector.

The structural adjustment economic reforms implemented by the government has directly contributed to this real positive growth. It is therefore imperative that the government maintain a sound macroeconomic management environment to sustain growth and to attract external investments. Moreover, Guinea must now deepen and accelerate the adjustment effort to ensure positive sustained growth.

Guinea has in place or is planning to put in place the required policies to foster economic growth, social and political reform. It now needs the political will to follow through with these policies with substantive actions and programs. Indications thus far are that the government plans to remain fully on course with the macroeconomic policies, other social and political reforms. The key to success, however, will be government's resolve to change

entrenched behavioral patterns that have been detrimental to the efficient operation of the public sector and detrimental to growth of the private sector. The government, up to the highest level, is painfully aware of the need for a major effort in good governance at all levels of government. All the major donors have begun discussions with the government on this issue and are planning technical assistance in this area.

C. An Analysis of Constraints and Opportunities

In general, the nature of the constraints and opportunities conditioning Guinea's development have not changed in any fundamental way in the five years of the execution of the FY92-96 CPSP. It should be noted that the constraints identified below will be addressed by the Mission's proposed D/G and family planning/health programs.

1. Policy Constraints

Mobilizing Revenues. Falling mining revenues increased the urgency of as well as exposed the difficulty in generating non-mining fiscal revenues. Given the pervasive public sector rent-seeking behavior and the history of weak provision of basic services, people are reluctant to pay taxes. With the limited prospects of increasing revenues significantly, the GOG will have to curtail its expenditures in order to stay in compliance with IMF conditionality. This means that needed public sector investments in primary education and family health may be less than expected. In order to mobilize the resources required to support expanded education and health services, social sector policies will need to target local communities so that cost recovery efforts can be expanded.

Private Sector Promotion. The development of an adequate legal and regulatory framework to generate savings and protect investments continues to be a priority. Although Guinea's informal sector is doing well, the growth of the formal sector continues to be hampered by the lack of an investment climate favorable to long-term manufacturing investments.

2. Cultural and Institutional Constraints

This section of the CPSP remains essentially valid, as one might expect given the difficulty of achieving significant cultural or institutional changes in such a short period.

3. Population Constraints

No significant changes can be made in the short term in this area, and the discussion in the FY92-96 CPSP remains valid.

4. Human Resource Constraints

Although remarkable progress was made in primary education in the past three years, the discussion of this constraint in the CPSP remains valid. The increase to 25 percent of the

share of the budget allocated to education, with 35 percent of this allocated to basic education in 1994, is a significant step in addressing this constraint. Although enrollment in basic education increased significantly, the problem is that 60 percent of eligible children still have no access. Moreover, the internal efficiency of the system is such that on average it takes 12 years to graduate a student from the sixth grade.

5. Infrastructure Constraints

Although significant progress has been made in some of the constraints identified in the CPSP, the diagnosis made in 1991 remains valid.

Water supply remains a problem in many areas of the country, although some improvements have occurred. Of the 210,000 hectares identified in 1990 as potential sites for drainage or irrigation improvement, 2,690 hectares have been improved. Although improvements in transportation have significantly decreased the amount of agricultural production spoiled before being processed or transported to markets, rural storage capacity remains an important problem that obliges farmers to sell their production immediately after harvest, when prices are lowest. Storage capacity in Conakry for agricultural production destined for export is also lacking, and the port of Conakry, as well as the airport, have insufficient cold storage space. Port loading capacity is no longer perceived to be a problem. However, inefficient pilot and stevedoring operations make the Conakry Port overly expensive. Shipping schedules are a problem because ships usually enter Conakry on their way to Abidjan for cargo consolidation, but do not come into Conakry on their way north, where the potential markets are.

Guinea rates among the most poorly served countries in terms of energy supply. Energy supply bottlenecks continue to be one of the most serious constraints to economic development and a major cause of environment degradation. Only one percent of Guinea's hydropower potential has been developed and less than two percent of the population has access to electrical utility services, abysmal by sub-Saharan African standards. Of the seven power stations in the nation today, only two are currently operational. The issue is not with the supply of electricity but with the payment for it. Thus, the World Bank has recently decided not to participate in the financing of a \$250 million hydroelectric project, primarily because only an estimated 30 percent of electrical bills are paid. What there is of public utility electrical services is of poor quality, widely variant in voltage output, and suffering from prolonged outages. This poor service is produced at a high cost and has an extremely low efficiency. Therefore, the manufacturing sector is obliged to provide its own power. The lack of modern forms of energy also leads to increasing use of wood and charcoal and results in deforestation.

As to Guinea's telecommunications infrastructure, although service has improved in Conakry, it is still impossible to connect the interior of the country with domestic or international networks. Moreover, pirating and the related erroneous billing has kept the clientele below the capacity of the system. These problems keep the system from expanding and threaten to

undermine the gains already achieved. The density of coverage of the telecommunication network is one of the lowest in the region, less than half of the average for sub-Saharan Africa, and many clients refrain from subscribing to long distance services because of over-billing in these services.

D. Other Donor Programs

The GOG's development program is heavily subsidized by the donor community. About 84 percent of the GOG investment account is externally financed. The following tables and narratives briefly summarize donor activities. As the tables indicate, the donor programs tend to be concentrated in education, agriculture, human resources development and infrastructure, the same areas as the USAID program, thereby making donor coordination absolutely necessary.

1. Bilateral Donor Assistance

(a) **France.** France is the largest of the bilateral donors. Since France renewed its program in 1979, their assistance, through both the Fonds d'Aide et Cooperation (FAC) the Caisse Française de Développement (Caisse) have grown steadily. The Caisse and the FAC are in practically every sector, however, their current programs focus primarily on education and rural development. The Caisse gives priority to the private sector, rice, coffee and palm oil production in the agricultural sector and support to rural sector credit. Although the French have provided assistance to the D/G and election processes, they have been less inclined to coordinate with the U.S. in these areas.

(b) **Germany.** Germany is providing assistance in public health, agriculture, infrastructure and mining. They have also provided limited assistance for elections.

(c) **Canada.** Canada is the fifth largest bilateral donor after France, the U.S., Japan and Russia. Canada's assistance, however, fluctuates widely. For example, in 1987 they contributed \$7.5 million, \$3.7 million in 1989, \$3.4 million in 1992 and \$7.2 million in 1993. Their assistance is focussed on energy and agriculture and they are considered our most reliable partner on elections and democratic governance.

(d) **Ukraine.** The Ukrainians are involved in the mining sector principally in Kindia, a relationship that goes back some 30 years ago with the former Soviet Union.

(e) **Japan.** Japanese assistance is primarily in the area of balance of payment support, food aid and infrastructure development.

2. Multilateral Donor Assistance

(a) **The World Bank.** The World Bank is the largest of the multilateral donors. Its most important undertaking is the economic structural adjustment program. The project has large

investments in agriculture, industry and energy, infrastructure and human resources development. The Bank is a major partner in our basic education reform and road constructions projects. Historically the Bank has financed the construction and renovation of hospitals and health centers. A credit program for the construction of health facilities in Middle and Lower Guinea, was recently approved for \$24.6 million over a 6 year period.

(b) **International Monetary Fund.** The IMF has an ambitious program of structural and institutional reform that is designed to revitalize the Guinean economy through a shift from a centrally planned system to a market-oriented system. The program has been supported by IMF resources through a stand-by agreement, two arrangements under the SAF (structural adjustment facility) and two arrangements under the ESAF (enhanced structural adjustment facility). In 1987, the IMF approved a 3 year arrangement under the SAF for an amount equivalent to SDR 36.8 million. In November 1991, the IMF approved a three-year ESAF in an amount equivalent to SDR 57.9 million.

(c) **UNDP.** The UNDP program is concentrated in rural development, improved economic management support to the private sector, election assistance and development of human resources.

(d) **UNICEF.** UNICEF is the principal donor providing assistance to the primary health care integration effort nationwide. USAID will collaborate with UNICEF on the design of the expanded FP/MCH activity, particularly the child survival component.

(e) **UNFPA.** UNFPA has a major program of assistance to integrate family planning into health centers in Upper and Lower Guinea. The proposed new health activity is targeted for upper Guinea so USAID will be collaborating very closely during the design phase.

TABLE 1: OTHER DONOR ACTIVITIES BY SECTOR

Sector	Bilateral					Multilateral		
	USAID	France	Germany	Canada	Russia	IBRD	UN	EEC
Agriculture	X	X	X	X	X	X	X	X
Health/Population	X	X	X			X	X	X
Education	X	X			X	X	X	
Infrastructure	X	X	X	X	X	X		X
Natural Resources	X	X	X	X	X	X		
Mining					X	X		
Finance/Planning	X	X	X	X		X		X
Energy		X	X	X		X		
Industry		X				X	X	X
Political Reform		X						

TABLE 2: DONOR ASSISTANCE TO GUINEA (\$000)

DONOR	1992	1993
Multilateral		
World Bank	90,865	55,337
EEC	53,329	40,329
ADF/IDF	69,992	58,738
UN Agencies	70,819	77,766
IMF	12,852	17
BID	2,971	--
Other	3,699	4,358
Sub-total	304,537	441,314
Bilateral		
USA	35,120	37,071
France	83,686	72,926
Japan	25,015	23,439
Germany	2,508	3,452
Russia	3,648	9,458
Canada	3,375	7,267
Other	21,654	8,624
Subtotal	175,006	162,237
NGOs	2,968	2,532
TOTAL	482,511	441,314

¹Source: UNDP Guinea Report, 1993, for all donors except USA

²Note: U.S. assistance includes PL 480: 1992: \$8,000,000; 1993: \$11,000,000

E. Accomplishments

The 1994 API, which contains a detailed account of Mission's accomplishments for each of its strategic objectives, was submitted to USAID/W in March, 1995. The accomplishments noted below pertain to SO2 and SO4.

1. Health and Population Status/Progress

As a legacy of the First Republic (1958-1984), the health of Guinean women and children continues to be among the worst in the world. According to the 1992 Demographic and Health Survey, one of four Guinean children dies before the age of five, maternal mortality is 666 per 100,000, and life expectancy at birth is 43 years. The fertility rate is approximately 6.0 and the rate of contraceptive prevalence is about 2 percent, with unmet need for contraception at 25 percent. Sero-prevalence of HIV remains at less than 1 percent. The percentage of HIV positive cases who are women, however, has increased steadily from 11 percent in 1988 to 38 percent in 1994.

The principal contribution of our family planning program has been the creation of a policy framework for the delivery of family planning and HIV/AIDS preventive services. This program has also made a wide range of family planning services and contraceptives available in formerly unserved areas. An estimated 1.2 million people now have access to family planning services through 90 integrated health centers.

2. Democracy and Governance

The first ever presidential, multi-party elections since Guinea's independence in 1958, took place in December 1993. Although almost 80 percent of the population voted under well-run elections, the elections themselves were flawed in the final hours because of tampering with the results at the highest levels in the GOG. While an important opportunity for completely free, fair and transparent elections was missed, it is widely believed that final outcome would not have been different.

Guinea's inability to increase domestic non-mining revenues is related to governance issues. Corruption and mismanagement of public enterprises continues to deter revenue collection. Throughout the public sector, weak planning and management and the absence of institutionalized internal control systems that are transparent and fair are at the root of the problem. People are reluctant to pay taxes when they do not see the provision of public services in return.

In order to develop a program that will address these issues, USAID/Guinea arranged for an assessment of the D/G sector in 1994. The assessment report, in part, notes:

"Since 1990 Guinea has made considerable progress on the road to democracy. Democratic rule changes have permitted the development of a vigorous though still vulnerable independent press, the emergence of human rights organizations, the creation of political parties and detailed procedures for conducting national and local elections. Moreover, the opening up of the public realm through the liberalization of association rules has given private firms, NGOs, hometown development associations, women's groups, and other apolitical groups much freedom to organize and manage their own affairs. New watching institutions like the CNE which has the potential to monitor the electoral process and thus reduce temptations to rig elections and the CNC which was designed to insure equitable access to the media have also been created under the young Third Republic.

The impressive progress made in the transition from a military to a democratic civilian regime has been somewhat marred by a general pattern in which rule enforcement of democratic rights and procedures seems to decrease as group activities become more overtly political. Opposition political parties have thus often found it difficult to organize public marches and rallies, human rights groups have been denied permission to hold colloquies, and trade union leaders have been subjected to harassment by the authorities. It should also be noted that the transition to democracy will not be complete until the

National Assembly begins to function as Guinea's representative legislative body after the up-coming legislative elections.

Prescribed rule changes contained in a constitution and various organic laws have established the legal framework for a strong and independent judiciary. However, the institutions created to apply and enforce the rule of law, at present, don't have the capacity to carry out their tasks. For example, the Chambre des Comptes which the law has given the formal responsibility for auditing public accounts -- the annual national budget, the account of 38 local government units, and the account of all state enterprises - has a tiny staff and no funds to carry out its mandate. The inability of the Chambre des Comptes to carry out its legal functions thus reduces the opportunities for increasing the government's financial accountability and transparency which in turn provides greater incentives for officials to use public resources for private needs because they are less likely to be caught and sanctioned.

A major obstacle to good governance is the rampant corruption in the state bureaucracy. President Lansana Conté himself has, on many occasions, denounced corruption and called for greater honesty in government. Low salaries, the lack of bureaucratic discipline, and the reluctance of officials to enforce rules to punish corrupt behavior provides perverse incentives for officials and discourages efforts to promote good governance practices."

Our D/G approach is to assist the GOG implement its decentralization program so that revenue management and program planning takes place at the local level.

IV. PROGRAM STRATEGY UPDATE, RATIONALE, KEY ASSUMPTIONS

A. Program Goal and Sub-Goals 1992-1996

1. Program Goal

The goal of the USAID FY 92-96 country program, improved economic and social well-being of all Guineans in a participatory society, as well as sub-goals are still valid. Achievement of this goal and the lower order objectives will result in measurable improvements in the lives of Guineans and in their greater participation in decision-making. This goal is in line with GOG policies and those of the other major donors.

Indicators of Goal Achievement:

1. Increase in real economic growth (growth rates) GDP and GDP per capita
2. Decrease in under-five child mortality (desegregated by gender)
3. Decrease in fertility rate and birth rates
4. Increase in literacy rate (percent of adults desegregated by gender)
5. Institutionalization of freer, more open society and accountable government
6. Increase in share of public investment resources managed at the Rural Development Committee Level.

2. Program Sub-Goal One (SG1): increased household income from non-mining activities. Diversification of the Guinean economy away from the mining sector is essential because over-dependence on bauxite and other mineral exports is not sustainable in the long-term nor equitable in the distribution of its benefits.

Indicators of Sub-Goal 1 Achievement:

1. Increase in real per capita non-mining GDP growth rate
2. Increase in public investment for rural development
3. Increase in private investment as percentage of GDP
4. Decrease in growth faltering rates for children
5. Increase in expenditure by rural households

3. Program Sub-Goal Two (SG2): improved human resources for sustainable economic growth.

This sub-goal ties together SO2 and SO3 as family planning and improved basic education are key elements which contribute to achievement of sub-goal.

Indicators of Sub-Goal 2 Achievement:

1. Increase in number of people completing six years of primary schooling by gender (annual growth rate) desegregated by gender
2. Decrease in primary school repeaters
3. Increase in numbers of people receiving post-secondary training desegregated by gender and those receiving USAID/other donors support
4. Decrease in total fertility rates

B. Strategic Objectives (The section that follows treats SO2 and the new SO4 only)

1. Strategic Objective Number Two (SO2)

This SO has been expanded to read: Increased access to and utilization of quality family planning/maternal and child health services and HIV/AIDS prevention services.

This SO seeks to limit family size and improve family health through the provision of wider range of MCH, FP and HIV prevention services. Successful achievement of this SO addresses one of the major constraints to sustained economic growth -- a high population growth rate, which is now estimated at 2.8 percent. The lack of family planning options available to the average Guinean family is a major determinant of the country's 2 percent contraceptive prevalence rate. USAID and GOG, working through private and public sectors, will address this problem by increasing the availability of MCH and FP services.

-
1. Increased contraceptive prevalence rates
 2. Increased utilization of health services
 3. Increased number of districts with control over an adequate operating budget;
 4. Increased condom use during high risk sex
-

Performance Indicators In Target Areas

The lack of family planning options available to the average Guinean family is a major determinant of the country's 2 percent contraceptive prevalence rate. USAID and GOG, working through private and public sectors, will address this problem by increasing the availability of MCH and FP services.

Program Outcome 1:

Increased demand for family planning, MCH and HIV/AIDS prevention services

USAID strategy will continue strong support to social marketing of contraceptives and expand the current focus on condom promotion to oral and injectable contraceptives. Public

-
1. Increased number of people having specific knowledge of contraceptive methods;
 2. Increased condom sales;
 3. Increased clinic utilization for specific services
-

service messages will be broadened to include more FP and STD and HIV/AIDS prevention. More attention will be given to identifying and developing the capacity of private providers to initiate their own market development and advertising

Program Outcome 1: Performance Indicators

campaigns emphasizing the multiple benefits of contraceptive use. The USAID program will also work closely with the MOH to develop its capacity to design more systematic and coordinated Information, Education and Communication (IEC) strategies for FP, HIV/AIDS and MCH. New approaches will be developed and tested for community outreach activities from the clinic and district levels. Reduced infant and maternal mortality should lead to increased demand for FP services.

Program Outcome 2:

Increase availability of quality services through the public and private sectors

USAID will continue to work through both public and private sectors to increase the availability and sustainability of quality FP, MCH and HIV/AIDS services. During this phase emphasis will be placed on in-service training and utilization of standard protocols for care, supervision, monitoring and evaluation. Enhancing quality of services is critical for improving the consumer's willingness

to pay, which is the basis for sustainability of the system. In order to improve quality of services in target districts, an essential package of maternal and child health services and selected support systems (including management information systems, commodity logistics management and supervision) will be put in place. The Mission will support the expansion of

-
1. Quality of health care services improved.
 2. Increase in number of community based distribution points for FP services;
 3. Number of retail outlets selling contraceptives increased;
 4. Increase in number of high risk pregnancies identified and appropriately referred;
 5. Increase in number of referrals to hospitals
-

Program Outcome 2: Performance Indicators

contraceptive methods, particularly in urban areas and continue the integration of family planning into MCH programs in the target regions. Emphasis will be also given to increasing the number of outlets for contraceptives and increasing both public and private sector capacity to manage and monitor larger supplies. Community-based distribution strategies will be tested and expanded in target areas.

Program Outcome 3:

Increase MOH capacity to implement policy reform agenda with focus on decentralization, local management and financial sustainability

In order to ensure the sustainability of services in Guinea, it will be critical for all the donors to support the basic health care reform agenda that the GOG itself has championed. The agenda emphasizes decentralization, district level management and community participation. The Bamako Initiative, which focuses on cost-recovery at the clinic level, was first implemented in Guinea and then shared with other countries. Over 300 clinics have effective cost-recovery systems in place. The key to the sustainability is to ensure that districts have

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1. Action plans developed;
 2. GOG real expenditures to districts increase;
 3. Budgets adequate to cover basic O.E.;
 4. Health care activities appropriately supervised
-

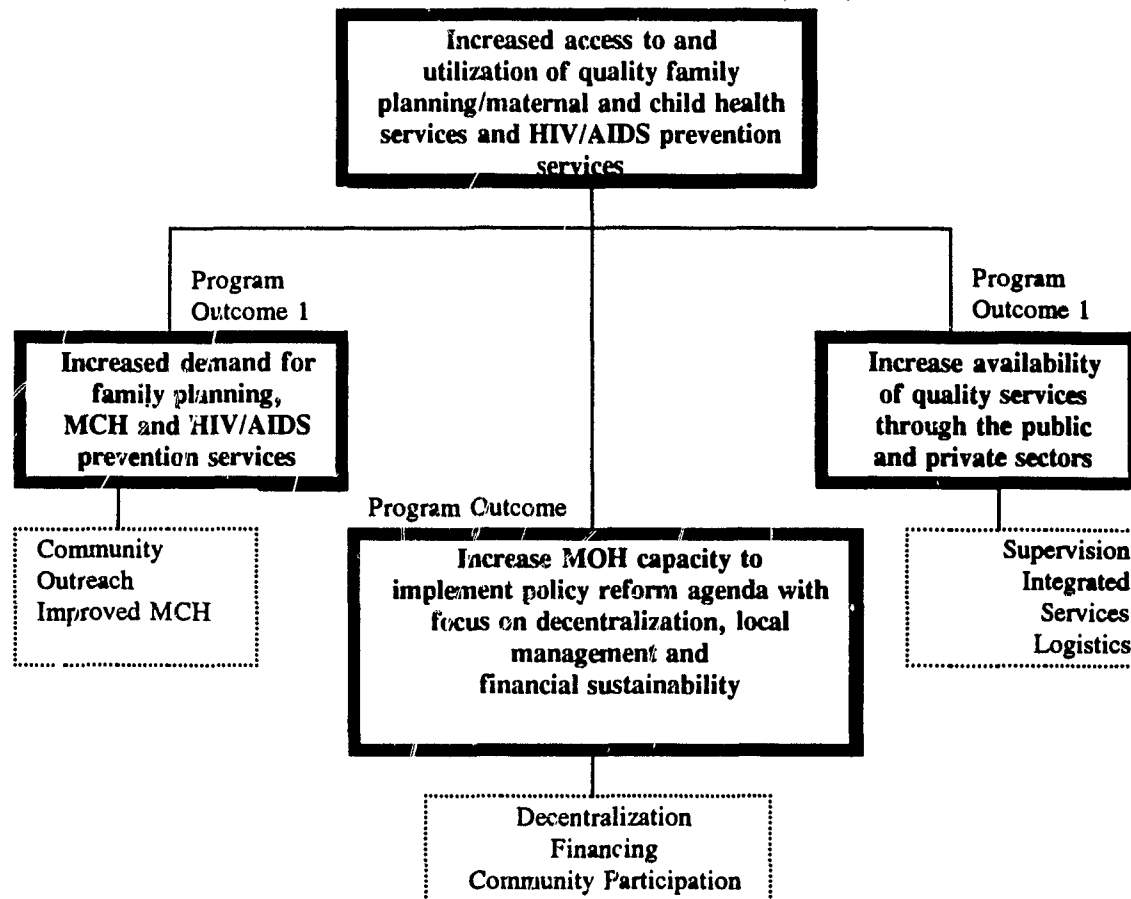
the capacity to budget, plan, and manage the delivery of services in their areas and to make available essential drugs at reasonable prices.

Program Outcome 3: Performance Indicators

USAID will help districts to develop action plans and obtain

adequate resources to carry out their plans. The Mission will assist selected regions and districts test alternative resource mobilization strategies that will include hospitals, NGOs and other private sector groups. USAID will also support the establishment of rational procurement procedures and pricing structures for essential pharmaceuticals. With other donors, Mission will support increased expenditures by the GOG for the districts, and the establishment of a joint GOG/donor committee to address pharmaceutical procurement and management issues.

STRATEGIC OBJECTIVE TWO (SO2)



2. Strategic Objective Number 4 (SO4): Increased participation in democratic processes and fostering good governance.

As mentioned elsewhere in this and other documents, Guinea has made major strides since 1984. A major economic reform program has been put in place and is being implemented; major policy advances have been achieved in the social sectors; the political process has been opened-up and civil society, which was practically destroyed during the First Republic, has re-emerged. Much more needs to be done to strengthen the legal and regulatory framework.

During this interim strategy period, the Mission plans to take advantage of the opportunities that have been created as a result of

1. Increased number of community groups engaged in local governance issues;
2. Increased number of community groups effectively participating in local governmental bodies and other decision making structures;
3. Increased responsiveness/accountability of local government units to their constituents;
4. Increased real decentralization in policy making and resource mobilization.

Performance Indicators In Target Areas

the opening of the public realm, in particular, those opportunities created by the increased freedoms of association and of the press. These freedoms present opportunities to support the development of civil society, thereby expanding the constituency for good governance. The Mission will continue to develop the analytical basis for the preparation of a long term D/G strategy.

This strategic objective supports broad-based, sustained economic growth in that it strengthens the legal and regulatory framework, improves the investment climate, develops civil society, empowers local communities, mobilizes resources, and fosters wider participation in the political and economic development of the country.

Program Outcome 1:

Increased local participation in strategic planning, development and resource allocation.

The ultimate goal of this activity is to improve governance and the responsiveness of

-
1. Increased number of community-level groups organized along democratic lines;
 2. Increased number of community-level groups involved in local/government issues;
 3. Increased number of community-level groups represented on local committees;
 4. Increased number of local government units with improved management capabilities;
 5. Increased number of local people trained in good governance.
-

government units to local needs. The project will concentrate its efforts in selected areas of Guinea (approximately 5 project sites in Year 1) and will work with private and public sector groupings in participatory processes that bring about development. The work to be defined will be demand driven from the local communities who will themselves define areas where assistance is needed.

Program Outcome 1: Performance Indicators

Assistance will be provided to help the communities implement economic activities, but the major portion of the aid package is to organize and mobilize communities towards active involvement and effective participation in local governmental processes and in community decision-making.

Program Outcome 2:

Increased decentralization of policy making and allocation of resources

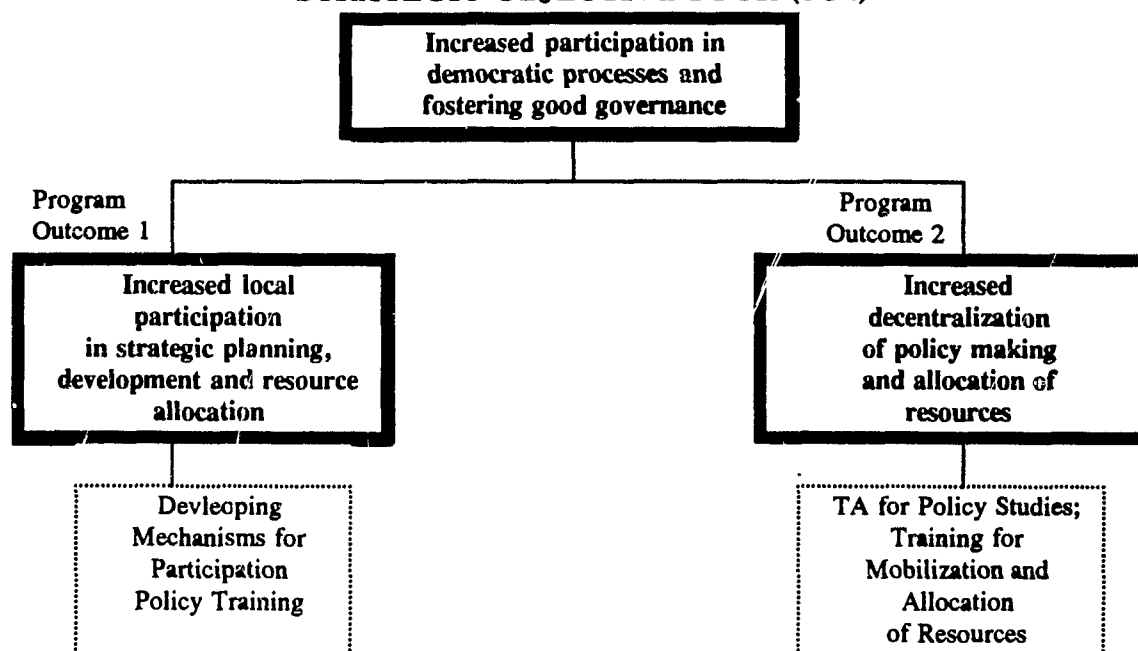
While the major focus of the USAID program will be on local participation, aid will be provided to enhance local government performance in local development through the provision of technical assistance and training in 3 critical areas of local governance: financial management, mobilization of resources; and management development

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1. Increased number of local level GOG personnel trained in financial mgmt;
 2. Increased number of local level GOG personnel trained to mobilize resources;
 3. Increased number of local level people trained in accountability;
 4. Increased number of local level people trained to prioritize development goals
 5. Increased number of studies on local governmental processes completed.
-

Program Outcome 2: Performance Indicators

prioritization. Another area of importance is policy studies to support decentralization. While the GOG has gone very far in advancing decentralization, the system in place is more deconcentrated than decentralized. Studies will focus on how a decentralization system should work. Other studies will focus on policies that promote local government revenue collection and management.

STRATEGIC OBJECTIVE FOUR (SO4)



V. PLANS FOR IMPLEMENTATION

To plan, implement and monitor the current and planned activities, the Mission is being organized in strategic objective teams, in line with the reengineering concepts. The Mission has currently fourteen management units, of which four will be ended by the end of FY96. To effectively manage the portfolio, it is imperative that GDO/Health and Education Officers be before the end of FY 95. In addition, a PSC D/G Advisor and a PSC Agricultural Economist must be on board by early FY 96.

A. Strategic Objective Teams (Activities by Office Assignments)

1. Strategic Objective One Team: Growth in agricultural markets

Management Unit One
(675-0213) Agricultural
Infrastructure Develop.¹ (RDO)

Management Unit Two
(675-0215) Rural Enterprise
Development (GDO)

Management Unit Three
(675-0216) Rural Roads
Project (RDO)

Management Unit Four
(675-0219) Natural Resources
Management Project (RDO)

Management Unit Five
(675-0221) Agricultural
Marketing Investment (RDO)

Management Unit Six
(675-0218) Economic Policy
Reform Support¹ (GDO)

Management Unit Seven
(675-P123) PL-480, Title III
Program (PPDO)

Team Members: Rural Development Officer (RDO), General Development Officer (GDO), Program and Project Development Officer (PPDO), Program Economist, Controller, Ministries of Agriculture, Plan, and Finance, NGO/PVOs (PRIDE, VITA, CLUSA), Regional Contracting Officers, (RCO) Regional Legal Officers (RLO).

2. Strategic Objective Two Team: Increased access to, and utilization of quality family planning/maternal and child health services and HIV /AIDS prevention services

Management Unit Eight
(675-0227) Social Marketing
of Contraceptives (GDO)

Management Unit Nine
(675-0228) Family Planning
and Health (GDO)

Team Members: General Development/Health Officer, TAACS Advisor, Ministry of Health, PVO/NGOs, Training Office, RCO, Program Economist, PDO, Controller, UNICEF.

3. Strategic Objective Three Team: Increase enrollment in primary schools, with emphasis on rural female participation

Management Unit Ten
(675-0222/23) Education
Sector Reform and Support
Project (HRDO)

Management Unit Eleven
(675-0230) Fundamental
Quality and Equity Levels
Project (HRDO)

Management Unit Twelve
(698-0463.75) Human Resources
Development Assistance and
Atlas Projects (PPDO)

Team Members: Human Resources Development Officer, Program Economist, PSC Advisor, Controller, Training Office, Regional Contracting Officer, Regional Legal Officer, Regional Training Advisor, PVO/NGOs and Ministry of Pre-University Education, World Bank, FAC, and EEC.

4. Strategic Objective Four Team: Increased participation in democratic processes and a fostering of good governance

Management Unit Thirteen
(675-0229) Civil
Society Development¹
Project (PPDO)

Management Unit Fourteen
(675-0226) Strengthening Civil
Society and Governance
Capacity (GDO)

Team Members: PSC D/G Advisor, Program Economist, Project Development Officer, Regional Contracting Officer, Controller, AFRICARE, OIC, Pride/VITA/CLUSA, Rural Development Officer, General Development Officer, World Bank, Canadian Embassy, EEC

¹Project will end in next 6-18 month period

B. USAID/Guinea Personnel Structure

1. Rural Development Office

Two USDH as Project Officers for MU's 1, 3, 4, 5
One PSC Civil Engineer/Project Manager for MU 3
One PSC Civil Engineer/Assistant Project
Manager for MU 3
One PSC Agricultural/Economist Private Sector Manager for MU 5
One PSC Project Manager for MU 4
Two FSNs Rural Development Assistants for all MU's

2. General Development Office

One USDH Health Officer/Project Officer for MU 2, 6, 8, 9
One TAACS Advisor for MU's 8, 9
One PSC D/G Project Advisor for MU 12, 14
One PSC Project Assistant for MU 2
Two FSN Project Assistants for MU's 2, 6
One FSN Project Assistant for MU's 8 and 9

3. Human Resources Development Office

One USDH Education Officer for MU's 10,11
One PSC for MU's 10, 11
One FSN Project Assistant for MU's 10, 11

4. Program and Project Development Office

Three USDH (Supervisory Program Officer, Project Development Officer and Program Economist) for MU's 1, 7, 12
One FSN Assistant Program Economist and one FSN Program Assistant for MU 7

USAID/Guinea
NEW ACTIVITY DESCRIPTION (NAD)
Family Planning and Health (675-0228)

A. BASIC PACKAGE DATA

1. Title: Family Planning and Health
2. Number: 675-0228
3. Fund Source: DFA
4. Proposed Duration: FY 95 - FY 2001
5. Proposed Assistance Mode: Project Assistance
6. Total Amount of Funds Required: \$20.0 million
7. Percentages of Funding Targeted To Earmarks: 100%
9. Potential for Gray Amendment Entity Procurement: Yes

B. STRATEGIC OBJECTIVE AND RESULTS

1. Problem: As a legacy of the First Republic (1958-1984), the health of Guinean women and children continues to be among the worst in the world. According to recent health and population statistics¹: the under five mortality rate is 252 per 1000; the maternal mortality is estimated at 666 per 100,000; life expectancy is 43 years; the fertility rate is approximately 6.0; the birth rate is about 46 per 1000; the population growth rate is estimated at 2.8%; the contraceptive prevalence rate is less than 2%; although sero-prevalence of HIV remains at less than 1 percent, the percentage of HIV positive cases who are women has increased steadily from 11 percent in 1988 to 38 percent in 1994; less than 5% of mothers exclusively breastfeed for the first 2 months.

Although health sector policies are enlightened, major systemic problems having to do with the management and organization of the health sector, its absorptive capacity, and lack of resources all act as constraints on the delivery of health services. Current government spending on health is about \$4 per capita, including donor assistance. Private spending has been estimated at approximately \$5 per capita, making the total well below the World Development Report's recommended \$12 per capita for a minimum package of health services. Public spending for primary health care constitutes only 27% of recurrent expenditures.

2. Mission S.O. Addressed by Proposed Package: The proposed activity addresses the Mission's Strategic Objective Two (SO2), which was recently expanded to include maternal and child health care (MCH). SO2 now aims for: increased access to and utilization of quality family planning/maternal and child health services and HIV/AIDS prevention services. The project will assist the GOG address one of the major constraints to sustained economic growth---rapid high population growth. The lack of

¹Demographic and Health Survey (DHS); Guinea; 1992

family planning information and services available to the average family is a major determinant of the country's 2 percent contraceptive prevalence rate. By working through private and public sectors, the Family Planning and Health (FPH) activity will help Guineans limit family size and improve family health through the provision of wider range of MCH, family planning and HIV/AIDS prevention services.

3. Package Purpose: The purpose of the FPH assistance proposal is to put in place an integrated and sustainable package of key interventions in selected health service areas. The proposal seeks to expand USAID's assistance from a focus on social marketing of contraceptives and integration of FP services into selected public health centers, to broader support for implementation of health sector reforms and a selected package of activities through both the private and public sectors---a strategy that provides the best chance of delivering sustainable family planning services.

4. Lessons Learned: The strategy approach of the FPH project stems from USAID's experience, over the past four years, with the Guinea Social Marketing of Contraceptives (SMC) Project (675-0227). The SMC activity supports the distribution of contraceptives nationwide through private sector channels. An estimated 1.2 million people now have access to family planning services in formerly unserved areas. A major contribution of SMC has been the creation of a policy framework for the delivery of family planning and HIV/AIDS preventive services. Although a mid-term evaluation of the project and a health/population sector assessment underscored the important progress that has been made in family planning and HIV/AIDS awareness and prevention, both these reports concluded that, at this stage in Guinea's development, support to family planning interventions alone will not permit sustainable reductions in fertility. In the Guinea context, improved health of children and mothers through increased access to a quality package of MCH services in the public sector will not only enhance demand for family planning services, but offers the best possibility for making them sustainable.

5. Anticipated Results, Including People-level Impact: At the end of the proposed activity, the following outcomes are expected: (a) an increased demand and utilization of family planning, MCH and HIV/AIDS prevention services especially by adolescents; (b) an increased availability of sustainable and quality MCH/FP and HIV/AIDS prevention services through the private and public sectors; and (c) an increased capacity of the Ministry of Health to manage and finance health care through decentralization and increased cost-recovery.

6. Fit With Other Portfolio Activities. The FPH addresses to some extent each of USAID's stated programmatic priorities in the

health sector. Specifically: (a) helping women and families avoid undesired or high risk pregnancies; (b) improving public health and reducing high levels of child mortality; and (c) developing appropriate responses to needs for reproductive health care.

FPH will fit well with the Mission's activities in the education sector activities, which focus on primary education with a special emphasis on girls' education. The relationship between female education and improved health and fertility indicators is well known. Improved health status in turn has a positive impact on learning capacity. Reduced fertility helps moderate the adverse effect of demographic variables on development. Community level health activities support democratic governance by strengthening local organizations. Finally, micro-enterprise lending will be mutually supportive of the FPH project, as an established relationship exists between women's economic independence, lower fertility rates and improved health.

7. Relationship to Other Donor Activities: FPH activities will complement the family planning and health activities of the principal donors, including UNICEF, World Bank, European Union (EU), UNFPA, WHO and the Germans.

UNFPA has a major program of assistance to integrate family planning into health centers in upper and lower Guinea. USAID works very closely with UNFPA and expects areas of collaboration to be identified during the design process.

UNICEF support is critical to the expansion of the MOH primary health care program, which is based on the Bamako Initiative. The USAID proposed program compliments this program by integrating MCH and family planning services into those health centers assisted by the UNICEF supported program.

EU activities have concentrated mainly on renovation and repair of hospitals and other public health delivery sites, with some emphasis on training of health personnel and provision of funds to the district level to support supervision. USAID will collaborate with the EU on the choice of health centers to be supported and on the nature of interventions in overlapping districts.

The World Bank recently initiated a major health facility construction program, primarily for Middle and Lower Guinea. During the design phase, USAID will explore possible ways our programs can be complementary.

C. ASSISTANCE COMPONENTS AND COSTS

1. Proposed Components: Support under the FPH project will focus on the following interventions:

(a) Family planning, and STD/HIV/AIDS prevention services. FPH will: provide continued support to contraceptive social marketing activities through the private sector; develop MOH's capacity to design and develop IEC activities and new community outreach strategies; and implement adolescent peer education and other community outreach programs.

(b) Delivery of maternal and child health services. To strengthen the delivery of a sustainable integrated package of selected MCH activities, FPH will assist the MOH to: set norms and standardize training; supervise, monitor and evaluate health protocols; improve health center training programs; strengthen referral and follow-up systems; improve communications between health centers and referral points; and conduct operations research to guide the development and implementation of health care strategies.

(c) Policy Reform. To increase MOH's capacity to implement its policy reform agenda, FPH will provide assistance to: (a) strengthen MOH management information systems, commodity logistics, operations research, and health care financing; strengthen district-level MOH staffs' capacity to plan, manage, train and evaluate; secure national legislation to support rational pharmaceutical regulations, decentralization, safe motherhood and breast feeding; establish rational pharmaceutical policies and training personnel as needed in drug management, prescription and dispensing.

Lessons learned and recommendations made in the health sector assessment will be taken into account and expanded in this new activity. Particular emphasis will be placed on the sustainability of the activities under each component.

2. Cost Estimates and Obligations: During PP design, detailed financial estimates and plans will be developed. At this stage, the expected breakdown of project costs for the first two years are:

	(\$000)	
	<u>Year 1</u>	<u>Year 2</u>
Long-term TA	1,700	1,800
Short term TA	98	77
Local staff	40	42
Activity support	1,000	1,000
Evaluations and Audits	-0-	30
Commodities/other	<u>927</u>	<u>78</u>
Total	3,772	3,069

Planned Obligations	FY 95	FY 96	FY 97	FY 98
Total LOP: 20,000:	1,850	6,000	6,150	6,000

3. Estimated Mission Management Costs: Current family planning and health activities are managed from the Mission's General Development Office (GDO). GDO is currently staffed with a TAACS advisor, an FSNPSC project manager and an O.E.-funded secretary. USAID/Guinea is currently recruiting a GDO chief with HPN experience.

In addition, Global Bureau support is anticipated throughout the life of the project. This will be financed by the project through a combination of OYB transfers, buy-ins or delivery orders. Specific support is probable through MotherCare, WellStart, AIDSCAP, INTRAH, (etc). AFR/W assistance through HHRAA or another mechanism is also possible. Short term regular support from REDSO/WCA contract and legal advisors as well as HPN office staff will also be needed.

D. RESULTS PACKAGE ANALYSES AND DESIGN WORK

1. Additional Studies/Assessments for Results Package: The design of the FPH project will be based on the "Health and Population Assessment" conducted by the SEATS project in April 1994, and on the "Family Planning and Health Project Options" document prepared by BASICS in April 1995. In addition, the Mission intends to conduct a PHN program impact study prior to or during project start-up.

2. USAID Policy Issues: The project does not currently include a component to procure and distribute pharmaceuticals to target health services. However, if several problems at the GOG central pharmacy are not resolved in time to assure uninterrupted availability of essential medicines to these services, then the project may need to establish a parallel procurement and supply distribution mechanism.

To assure project success and the ongoing sustainability of project interventions, the Mission will support financial conditionalities currently imposed by several other donors. The World Bank set budget targets as conditions in their Health and Nutrition II Program, which started in February, 1995. And, because women's rights to enter marriage on a voluntary basis and to practice modern family planning are not assured under current legislation, USAID will require that the GOG adopt into law the Personal and Family Code, which is in draft, prior to the start of some project interventions.

3. Stakeholder Identification and Participation Ideas: The final stakeholder will be the recipients of health services and products primarily at the community level but, to varying degrees at all levels. More immediate stakeholders will be participating community groups, NGO partners, associations, and the Ministry of Health personnel participating at all levels. The FPH will target its efforts geographically and technically in order to

maximize impact. The principal target groups will be adolescents, women of childbearing age, and children. The package of services will be initially introduced in the two regions, Haute Guinea and Guinea Forestiere, where the existing social marketing project has been working since 1991 and where need has been deemed the greatest. The immediate stakeholders will be full partners in the design process. MOH/USAID officials participated in the conduct and review of the health sector assessment, and also jointly conducted a three day workshop to identify the strategic direction of the project. Over the past two years, central and local MOH personnel have worked closely with various consultant teams assisting the Mission with studies and project design options.

4. Timetable/Requirements for PP Preparation: Assuming USAID/W's approval of this NAD by June 1995 and a delegation of authority to the Mission for approval of the PP, the Mission plans to finalize a PP in July of 1995. PD&S funds have been allocated for this activity, and technical assistance has also been provided through AFR/W direct-hire support, and assistance via the BASICS project.

PP approval and final authorization of the activity will take place in August with REDSO/WCA/RLA support provided to ensure that all legal considerations have been addressed. The Mission continues to work closely with the GOG, NGOs, and US PVOs which will facilitate the development of a project agreement. This agreement should be finalized and signed by early September, 1995, with obligation of funds before September 30, 1995.

E. RECOMMENDATIONS FOR REVIEW AND AUTHORIZATION

Assuming favorable NAD review and approval, USAID/Guinea requests delegation of authority to approve and authorize the PP in the field. If it is decided that the activity will be obligated via a program agreement, the Mission will request approval of an FAA Section 110 waiver in view of Guinea's status as a "Relatively Least Developed Country (RLDC)" and the country's extremely limited financial resource base and budgetary constraints.

NEW ACTIVITY DESCRIPTION (NAD)

Strengthening Civil Society and Governance Capacity (675-0226)

A. BASIC PACKAGE DATA

1. Title: Strengthening Civil Society and Governance Capacity
2. Number: 675-0226
3. Fund Source: DFA
4. Proposed Duration: FY 95 - FY 98
5. Proposed Assistance Mode: Project Assistance
6. Total Amount of Funds Required: \$5.0 million
7. Percentages of Funding Targeted To Earmarks: 100%
9. Potential for Gray Amendment Entity Procurement: Yes

B. STRATEGIC OBJECTIVE AND RESULTS

1. Problem: Guinea is currently going through a critical transition to a fully-fledged multi-party democracy. The democratic transition has been difficult because of the legacy of 26 years of one party-rule from 1958-1984. The First Republic, headed by Ahmed Sekou Touré, created a police state that stifled civil society, eliminated private sector activity, and repressed human rights. The Second Republic eliminated the worst abuses of the Touré regime and liberalized the economy.

Since 1990, Guinea has continued to make considerable democratic progress. Democratic rule changes have permitted the development of an active, though vulnerable, independent press, the emergence of human rights organizations, the creation of political parties, and detailed procedures and institutions for the conducting of national and local elections. The opening up of the public realm has given private firms, NGOs, rural development associations, women's groups and other apolitical groups much freedom to organize and manage their own affairs.

Although much progress has been made since 1990 in establishing the legal and economic framework for a democratic regime, this process is far from complete. The democratic reforms of the Second Republic and the opening up of the public realm are important targets of opportunity for strengthening good governance in Guinea. The sustainability of economic development depends on the establishment of transparent, predictable, enforceable and equitable rules of the game governing institutional behavior and the strengthening of civil society to articulate issues and influence Government of Guinea (GOG) plans and policies.

2. Mission S.O. Addressed by Proposed Package: Under its recently updated Country Program Strategy Plan (CPSP), USAID/Guinea added a fourth strategic objective (S.O.), which aims for "increased participation in democratic processes and a

fostering of good governance." This additional strategic objective will allow the Mission to take full advantage of the opportunities provided by the opening of the public realm to expand support to civil society and thereby expand the constituency for continued reforms to enhance self-governance. The Strengthening Civil Society and Governance Capacity (SCSG) assistance proposal is a three year activity to help Guinea establish:

- ▶ a transparent, predictable, accountable, and equitable legal and regulatory framework;
- ▶ effective **decentralized** governmental institutions; and
- ▶ a strengthened civil society that promotes broad-based economic development and equitable participation in social and political life.

Further, the proposed activity speaks directly to the Agency's core development strategy for supporting participatory democracy as key to achieving sustainable, broad-based economic growth.

3. Package Purpose: The purpose of the SCSG project is to support the growth of a vigorous civil society. The SCSG project will seek to increase citizen awareness, decentralize authority, enhance legislative performance, and establish more transparent, predictable, enforceable, accountable, and equitable rules of the game as a basis for both good governance and development.

4. Lessons Learned: The SCSG strategy derives from USAID's experience and lessons learned worldwide and in Africa about the mutual dependence and reinforcement between development and democratic governance. Democracy is more than holding free and fair elections. A successful transition to democracy takes place through a long and uneven process of evolution and consolidation. It is increasingly recognized that economic growth is not sustainable unless there is equitable participation in it. Further, the transition from a statist to a market-based economy is more successfully brought about if there are advocacy groups who defend and champion such reforms.

Promoting fundamental changes in state-society relationships, through investments in strengthening civil society, is a means for addressing the above concerns. Within the Mission's experience it has been found that the weak institutional capacity is a major obstacle to the achievement of their objectives. We know that important gaps exist in the planning, coordination, and implementation of community activities. Enhancing good governance will require improving the organizational capacity of Guinean society to demand greater accountability from local, regional and central institutions. Indeed, strengthening Guinean civil society must be an integral part of USAID assistance to

Guinea's long-term economic and social development.

5. Anticipated Results, Including People-level Impact: At the end of the proposed activity, it is expected that there will be: (a) increased opportunities for meaningful participation in decision-making at the local community level; (b) an increased responsiveness and accountability of local government units to their constituents; (c) various fora established for policy issues to be raised and debated; (d) an enhanced capacity of community groups to manage their economic activities and to perform advocacy functions; (e) increased decentralization in policy making and revenue collection and management; and (f) an increased observance of legal and procedural frameworks in critical sectors.

6. Planning Assumptions for Achievement of Objectives: Achieving the objectives is based a number of important assumptions: (a) the GOG remains committed to democratic reform; (b) local groups are willing to support and participate in local democratically-run institutions; (c) the GOG continues to support an open public realm so that local organizations can function freely; (d) donors continue their interest in funding local-level projects;

7. Fit With Other Portfolio Activities: The proposed activity dovetails neatly with the implementation of current and future USAID-funded activities that aim to strengthen the governance capacity of community groups and local government units. These programs involve, inter alia, working with a wide range of locally based groups such as parent-teacher associations, local health committees, village communities managing common natural resources, and rural producer associations. For example, D/G components have been incorporated into several of the Mission's project activities that aim to rally broad community support and participation in programs that will improve the quality of primary education and health care at the local levels. In addition to improving the quality of primary education and greater access of females to schooling, the Fundamental Quality and Equity Levels (675-0230) project will impact on civil society at the local level, and its capacity to articulate community interests, by forging horizontal linkages between local government, decentralized state educational services, local development associations, women's groups, parent-teacher associations, private schools, and local entrepreneurs. Similarly, under the Family Planning and Health (675-0228) project decentralized state health services will collaborate with private health practitioners, traditional healers and midwives, and local government officials and the project will generate broad support for primary health care services by involving local development associations, women's groups, and local entrepreneurs in planning local community health programs.

The D/G components of these two programs will mobilize local financial and human resources to support education and health services in collaboration with the government. They will also encourage local communities to articulate their ideas and needs concerning education and health and to lobby for these needs at the local and national level. The linkages established and reinforced by the rallying of local community groups around common and concrete objectives will strengthen civil society at the local level and provide mechanisms and incentives for the state to become more responsive to local needs.

USAID/Guinea also has plans to promote a program of civic education through a network of rural radio stations to provide Guinean citizens with information concerning their rights and obligations in a democratic society.

8. Relationship to Other Donor Activities: Most current donor efforts in the D/G area have been geared toward presidential and legislative election support. Typical multi-lateral donor emphasis has been placed on governance issues such as reducing corruption, increasing transparency in government operations, improving the legal and regulatory framework, strengthening the capacity of government planning and financial agencies, and restoring the health of the banking system. While the World Bank and IMF remain focused on generic governance issues, bilateral donors are now incorporating democratization activities into their portfolios. However, there is little, if any, effort among donors to coordinate democratic governance activities and to formulate coherent strategies that involve NGOs and local community groups in strengthening civil society.

Coordination and cooperation with other donors and the GOG is essential to the success of this project as well as to the long-term sustainability of the democratic reforms achieved thus far. Under the proposed project, USAID will continue to take the lead in coordinating donor efforts to reach a reasonable consensus on: the content, priorities and sequence of a long-term reform agenda for improving democratic governance; developing Guinean capacity to guide the reform process; and the respective donor roles in the reform process based on comparative advantage, policy framework, and program strategies. At the same time, it is anticipated that SCSG activities initiated with civil society groups, particularly civic and voter education efforts, will complement other donor efforts to enhance the quality of future legislative and local elections.

C. ASSISTANCE COMPONENTS AND COSTS

1. Proposed Components: Support under the SCSG project will focus on the following project components:

(a) Civil Society. The project will aim to strengthen the autonomy of local level and community institutions by improving the legal and regulatory framework for civil society through financial and administrative management, membership recruitment, development, voter education, communication skills, conflict resolution and civic education. Recipients of such assistance will be institutions such as PVOs, NGOs, press and lawyer associations; interest and watchdog groups; chambers of commerce; labor unions; and academic organizations.

(b) Local Government. This component will take aim at the regional, prefectural, sub-prefectural and rural development committee levels to improve the environment for governance. The project will strengthen local government capacity through development of fiscal management; delegation and decentralization of authority in budgeting, programming and personnel administration; and to enhance the capacity to plan, manage, and evaluate development programs, with the expectation to make them more transparent.

(c) Legislative Performance. The legislative performance component is intended to enhance the effectiveness of the National Assembly and make it more independent. Assistance at the legislative level will take the form of promoting, encouraging and supporting efforts to draft legislation on clarifying the rules of the game; exercise legislative oversight; and to conduct research. One of the initial activities under this component is to study the relationship between the legislature and other decision-making bodies; the structure and functions of the National Assembly; and constituency relations. These studies are expected to lead to greater support of the legislative staff in the above-mentioned key areas, with a view toward empowering opposition members of the legislature.

(d) Monitoring and Evaluation. The M&E component will be crafted not only to provide a basis for evaluation of the project, but also to yield insights into the process of democratic transitions. Elements of M&E will include baseline studies of project beneficiaries, midterm and end-of-project evaluations, and selected special studies, that will be conducted during the life of the project.

Lessons learned and recommendations made in the D/G assessment and various D/G reports will be taken into account and expanded in this new activity. Particular emphasis will be placed on empowerment and sustainability of the activities under each component.

2. Component Cost Estimates and Obligations for 3-Year LOP: During PP design, detailed financial estimates and plans for all

components to be supported will be developed. At this stage, the expected breakdown of costs by component over the three-year planned LOP is as follows:

		(\$000)	
(a) Cost Estimates	FY 95	FY 97	FY 98
▶ Civil Society	.300	.900	.900
▶ Local Government	.200	.650	.650
▶ Legislative Performance	.150	.450	.450
▶ Monitoring & Evaluation	<u>.25</u>	<u>.150</u>	<u>.175</u>
Total	.675	2,150	2,175
(b) Planned Obligations	FY 95	FY 96	
	.675	4,325	
Total: 5,000			

3. Estimated Mission Management Costs: All current Democracy/Governance activities are managed from the Mission's Program and Project Development Office (PPDO). The PPDO has overall responsibility for all strategic programming, project design, implementation support, evaluation and impact reporting activities for the Mission's project portfolio. The PPDO is currently fully staffed with three USDH's, two O.E.-funded FSNs and one FSN secretary. This staff also handles the ongoing PL-480, Title III Program, the Civil Society Development (675-0229) Project, economic reporting and extensive donor coordination activities. It is anticipated that the implementation of the proposed activity, as well as future/planned D/G activities, will be shifted to the General Development Office (GDO), and will require a project-funded D/G Advisor to oversee and coordinate all of the Mission's D/G activities.

In addition, it is envisioned that, at least during the early stages of implementation, technical support for SCSG is likely to be drawn from various Global Bureau centrally-funded D/G activities through a combination of buy-ins and IQC delivery orders. Also during SCSG implementation, the Mission expects that short-term regular support from USAID/W Bureau and REDSO/WCA's D/G Advisors will be needed.

D. RESULTS PACKAGE ANALYSES AND DESIGN WORK

1. Additional Studies/Assessments for Results Package: The design of the SCSG project will draw primarily on the ongoing D/G sector assessment, the first phase of which was conducted in November/December 1994. Unfortunately, due to logistical and administrative problems, the assessment team was unable to travel into the interior of the country. Thus, the assessment could not be fully completed at that time, and a second phase has been planned. Still, the first phase report provides a significant amount of highly informative background material that constitutes

the analytical underpinnings for the interim D/G strategy and for this project. Given the importance of the conduct and outcome of the National Assembly elections to the future of the democratic transition and consolidation processes in Guinea, the Mission decided to postpone the second phase of the assessment until after those elections are held in June, 1995. The second phase will focus on identifying a reform agenda and constituency, and to reach a reasonable consensus on the contents, priorities and sequence of a reform agenda for improving democratic governance.

2. USAID Policy Issues: In December 1993 Guinea was able to carry out its first democratic elections since independence in 1958. All things considered, the elections were relatively free and transparent up until the last hours of the vote count when the government manipulated the final vote count in its favor. The USG showed its displeasure with this action by reducing its assistance to the GOG. For the USAID program, all direct assistance, e.g., budgetary support, to the government was curtailed. This included the \$11 million Food For Peace Title III program and the \$35 million debt repayment NPA program for basic education reform. USAID assistance that directly touched the citizenry was maintained and greater emphasis was given to implementing activities through NGOs. The overall bilateral program, which averaged \$23 million per year, was straight-lined at \$20 million per year until the legislative elections, scheduled for June 11, 1995, are held and determined to have been free, fair and transparent.

3. Stakeholder Identification and Participation Ideas: The final stakeholder will be the average Guinean citizen who will benefit from increased involvement and participation in local and national governance. More immediate stakeholders include local community groups, associations, NGOs/PVOs and offices that service these groups; and the various national and regional government agencies and offices which will participate in or be affected by project implementation.

Stakeholder participation in project design has already begun. The on-going D/G assessment have made extensive use of interviews to develop an understanding of the constraints facing local community organizations, NGOs, etc. The Civil Society Development Project (675-0229) has devoted considerable resources to assess and survey formal and informal groups and community-based development organizations about their experience and views on constraints in the sector. This participatory approach, which also involves local and national government agencies, will continue throughout project design and implementation.

Given the current financial position of many of Guinea's stakeholders--in one of the three least-developed countries in the world--it is unlikely that they will be able to contribute financial resources toward the activity's design or

implementation. The Mission believes the in-kind and voluntary contributions of time by the stakeholders as noted above to be sufficient.

4. Timetable/Requirements for PP Preparation: Assuming USAID/W's approval of this NAD by early June 1995 and a delegation of authority to the Mission for approval of the PP, USAID/Guinea will start the design of the PP in July, following the completion of Phase II of the D/G Assessment. This assumes that REDSO/WCA/OP will be able to complete all the required contracting actions associated with obtaining design assistance during months of May and June 1995. The SOWs for these actions are being developed and PD&S funding has been allocated for this design. Also, prior to PP design, the Mission will request an Initial Environmental Examination (IEE) negative determination from the Regional Environmental Officer.

PP approval and final authorization of the SCSG activity will take place in August with REDSO/WCA/RLA support provided to ensure that all legal considerations have been properly addressed. A continuing dialogue with the GOG, NGOs and U.S. PVOs has already been initiated, and will facilitate the development of a project agreement and/or a grant agreement, which would be finalized and signed in the August-September time frame, thereby obligating the funds by the end of September 1995.

E. RECOMMENDATIONS FOR REVIEW AND AUTHORIZATION

Assuming favorable NAD review and approval, USAID/Guinea requests that AA/AFR delegation of authority to approve and authorize the PP in the field. If it is decided that the project will be obligated via a program agreement, the Mission will request AA/AFR approval of an FAA Section 110 waiver in view of Guinea's status as a Relatively Least Developed Country (RLDC) and the country's extremely limited financial resource base and budgetary constraints.